



415th meeting of the Accounts Commission for Scotland
Thursday 16 April 2015, 10.15am
in the offices of Audit Scotland, 18 George Street, Edinburgh

Agenda

1. **Apologies for absence.**
2. **Declarations of interest.**
3. **Decisions on taking business in private:** The Commission will consider whether to take items 9 to 12 in private.
4. **Minutes of meeting of 12 March 2015.**
5. **Update report by the Secretary to the Accounts Commission:** The Commission will consider a report by the Secretary to the Commission on significant recent activity in relation to local government.
6. **Update report by the Controller of Audit:** The Commission will consider a verbal report by the Controller of Audit providing an update on his recent activity.
7. **National Scrutiny Plan 2015/16:** The Commission will consider a report by the Director of Performance Audit and Best Value.
8. **Shared risk assessment and Best Value work 2015/16:** The Commission will consider a report by the Director of Performance Audit and Best Value.

The following items are proposed to be considered in private:

9. **Equalities outcomes and mainstreaming – progress report:** The Commission will consider a report by the Chair of Audit Scotland Diversity and Equality Steering Group.
10. **World class programme development:** The Commission will consider a report by the Director of Performance Audit and Best Value.
11. **Commission extranet:** The Commission will consider a presentation by the Information Services Manager.
12. **Commission business matters:** The Commission will discuss matters of interest.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
Agenda Item 4: Minutes of meeting of the Commission of 12 March 2015	AC.2015.4.1
Agenda Item 5: Report by Secretary to the Commission	AC.2015.4.2
Agenda Item 7: Report by Director of Performance Audit and Best Value	AC.2015.4.3
Agenda Item 8: Report by Director of Performance Audit and Best Value	AC.2015.4.4
Agenda Item 9: Report by the Chair of Audit Scotland Diversity and Equality Steering Group	AC.2015.4.5
Agenda Item 10: Report by Director of Performance Audit and Best Value	AC.2015.4.6

MEETING OF 16 APRIL 2015

MINUTES OF PREVIOUS MEETING

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 12 March 2015, at 10.15am

PRESENT: Douglas Sinclair (Chair)
Ronnie Hinds (Deputy Chair)
Alan Campbell
Sandy Cumming
Colin Duncan
Tim McKay
Christine May
Stephen Moore
Linda Pollock
Colin Peebles
Graham Sharp
Pauline Weetman

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Fraser McKinlay, Controller of Audit and Director of Performance Audit and Best Value (PABV)
Paul Craig, Senior Audit Manager, Audit Services [Item 9]
Diane McGiffen, Chief Operating Officer [Items 11, 12 and 13]
Fiona Mitchell-Knight, Assistant Director, Audit Services [Item 9]
Mark Roberts, Senior Manager, PABV [Item 9]
Martin Walker, Assistant Director, Corporate Services [Item 13]

<u>Item No</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 12 February 2015
5.	Minutes of the Financial Audit and Assurance Committee of 26 February 2015
6.	Minutes of the Performance Audit Committee of 26 February 2015
7.	Update report by the Secretary to the Commission
8.	Update report by the Controller of Audit
9.	Opencast coal mining restoration
10.	Review of annual audits
11.	Audit Scotland matters: Best companies survey [<i>in private</i>]
12.	Public Audit in Scotland [<i>in private</i>]
13.	Audit Scotland Corporate Plan [<i>in private</i>]
14.	Commission business matters [<i>in private</i>]

1. Apologies for absence

It was noted that apologies for absence had been received from Linda Pollock.

2. Declarations of interest

The following declarations of interest were made:

- Alan Campbell, in item 9, as an adviser to an energy company. He played no part in the consideration of the said item.
- Ronnie Hinds, in item 9, as a former Chief Executive of Fife Council. He played no part in the consideration of the said item.
- Christine May, in item 9, as an adviser to opencast mining companies. She played no part in the consideration of the said item.
- Linda Pollock, in item 7, as a member of the board of the Care Inspectorate.

3. Decisions on taking business in private

It was agreed that items 11 to 14 should be taken in private as they contained draft reports and confidential issues.

4. Minutes of meeting of 12 February 2015

The minutes of the meeting of 12 February 2015 were submitted and approved.

5. Minutes of the meeting of the Financial Audit and Assurance Committee of 26 February 2015

The minutes of the meeting of the Financial Audit and Assurance Committee of 26 February 2015 were submitted and approved, subject to, in relation to item 4, sixth bullet point (report on funding gaps), noting advice from the Director of Performance and Best Value that a report would be submitted to the April meeting of the Commission.

6. Minutes of the meeting of the Performance Audit Committee of 26 February 2015

The minutes of the meeting of the Performance Audit Committee of 26 February 2015 were submitted and approved, subject to, in relation to paragraph 5, second bullet point (auditor guidance on health and social care integration), noting advice from the Secretary that such guidance had been issued as part of a briefing paper.

7. Update report by the Secretary to the Accounts Commission

The Commission considered a report by the Secretary to the Commission providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

During discussion the Commission agreed that briefings be organised at future meetings on:

- the establishment of a strategic health and social care partnership board in Greater Manchester.
- A bid from Aberdeen and Aberdeenshire councils for a City Deal Initiative.

Action: Secretary

Thereafter the Commission agreed to note the report.

8. Update report by the Controller of Audit

The Controller of Audit provided a verbal update on his recent activity including meetings and discussions with stakeholders.

It was agreed that further information be provided on issues in relation to the reorganisation of local government in Wales.

Action: Secretary

9. Opencast coal mining restoration

The Commission considered a report by the Secretary to the Commission introducing a briefing paper by the Director of Performance Audit and Best Value on issues for councils around site restoration.

During consideration, the Commission agreed:

- To write to councils, COSLA and SOLACE advising them of the briefing paper, and in particular emphasising the importance of councils ensuring that operators have adequate financial resources in place to enable full restoration of sites, both at the time of the start of operation and as operations develop.

Action: Secretary

- That further work be undertaken to gather evidence about the scale and significance of the implications for councils of other activities where restoration is required after operations have ended, including renewable energy developments, quarries and landfill sites.
- That a watching brief be maintained in relation to a proposal from private sector operators to the UK Government for a Carbon Price Support Exemption to provide funding for restoration opportunities on opencast coal sites.

Actions: Director of Performance Audit and Best Value

Thereafter the Commission agreed to note the report and note that the Director would report further to the Commission as appropriate.

10. Review of annual audits

The Commission considered a report by the Controller of Audit and Director of Performance Audit and Best Value, summarising the outcome of his review of the 2013/14 annual audit reports for councils and related local authority bodies.

During discussion, the Commission agreed:

- To note advice from Graham Sharp that he was continuing to review how the Financial Audit and Assurance Committee oversees issues arising from the annual audit.
- To note advice from the Director that, in relation to paragraph 7 (monitoring of councils), he continues to monitor various issues in relation to Argyll and Bute Council.
- To note advice from the Director that, in relation to paragraph 10 (risks in annual audit reports), information technology has also been identified as a prominent risk.

Thereafter the Commission agreed to note the report.

11. Audit Scotland matters: Best companies survey [in private]

The Commission agreed that this item be held in private in order to discuss issues relating to the staff of Audit Scotland.

The Commission considered a verbal report by the Chief Operating Officer in relation to the results of the Best Companies survey in Audit Scotland.

Following discussion, the Commission noted the report.

12. Public Audit in Scotland [in private]

The Commission agreed that this item be held in private to allow it to consider a draft report.

The Commission considered a report by the Secretary to the Commission introducing a draft paper, *Public Audit in Scotland*, to be published by the Commission, the Auditor General and Audit Scotland.

Following discussion, the Commission agreed:

- to endorse the proposed publication, subject to points raised in discussion.
- to remit to the Chair, in conjunction with the Auditor General, to agree the final draft of the publication.
- to endorse the proposed publishing arrangements.

Actions: Secretary

13. Audit Scotland Corporate Plan [in private]

The Commission agreed that this item be held in private to allow it to consider a draft plan.

The Commission considered a report by the Chief Operating Officer setting out the draft Audit Scotland Corporate Plan 2015-18.

Following discussion, the Commission agreed:

- to endorse for its interest the draft Audit Scotland Corporate Plan 2015-18, subject to Audit Scotland considering points raised in discussion.

Action: Chief Operating Officer

- to note the process for finalising the Plan.

14. Commission business matters [in private]

The Commission agreed that the Chair's update on Commission business matters be held in private to allow it to discuss issues of a confidential nature relating to the operations of the Commission.

The Chair briefed the Commission on matters of interest.

MEETING: 16 APRIL 2015**REPORT BY: SECRETARY TO THE ACCOUNTS COMMISSION****UPDATE REPORT**

Introduction

1. The purpose of this report is to provide a regular update to the Commission on significant recent activity relating to local government, as well as issues of relevance or interest across the wider public sector.
2. The regular Controller of Audit report to the Commission which updates the Commission on his activity complements this report. The Commission's Financial Audit and Assurance Committee also receives a more detailed update on issues relating to local government. This report complements the weekly and monthly digests provided by Audit Scotland's Communication Team made available on the extranet site. This provides more detailed news coverage in certain areas.
3. The information featured is also available on the Accounts Commission member portal. Hyperlinks are provided in the electronic version of this report for ease of reference.

Commission business***Impact of recent reports***

4. On 19 March the Commission's report on [Borrowing and treasury management in councils](#) was published highlighting the need for councils to improve scrutiny of borrowing and treasury management. Graham Sharp and Pauline Weetman briefed the Public Audit Committee. The report attracted a good spread of coverage in the press with articles in the Herald, the Daily Mail and the Press and Journal amongst others and good coverage on the [BBC website](#). Since publication the report has been downloaded 617 times, with 30 podcast listens. CIPFA in partnership with Capita Asset Services recently announced that they are currently offering training on borrowing and treasury management to its members.
5. On 12th March the [Commonwealth Games 2014: Third report](#) was published. The report received extensive media coverage with The Scotsman leading on the message that the Games were under budget and The Herald carrying the line that legacy obligations may not be met. Douglas Sinclair was also interviewed for BBC and STV on the report with various radio bulletins throughout the day. The report has been downloaded 888 times since publication, with 416 podcast listens. The report was considered by the Public Audit Committee on 25 March and further information on this can be found below.
6. As reported at previous meetings of the Accounts Commission, the [School Education report](#) continues to attract significant interest and the audit team is continuing its programme of stakeholder engagement and support to maximise its impact. Midlothian Council held an elected member seminar on 31 March where the report was discussed. The audit team also spoke to relevant committees at Angus Council (24

February), Perth and Kinross Council (11 March) and Argyll and Bute Council (12 March). There are future visits arranged to Falkirk and North Lanarkshire Councils.

Audit Scotland

7. The Audit Scotland Board will require a new non-executive member when current chair John Mclean's term ends later in the year with the role currently being advertised. The new member's term will run for three years from October with the possibility of renewal.

Auditor General for Scotland:

8. An [update on developing financial reporting](#) was published on 17 March 2015. The report generated strong print and broadcast coverage. The report finds that the fast changing nature of public sector finances increases the need to develop financial reporting further. The report was covered in newspapers The Herald and The National as well as on [STV Online](#). BBC Reporting Scotland also featured the reports key messages within its morning bulletins. The report has been downloaded 281 times, with 97 podcast listens. The report was discussed at Public Audit Committee on 1 April.
9. A report on [Scotland's Colleges 2015](#) was recently published on 2 April. The report received widespread media coverage including extensive articles in the Herald and Scotsman. The Auditor Scotland General was interviewed by BBC Reporting Scotland and featured in bulletins throughout the morning. There were also a number of mentions on social media with many welcoming the findings.

Issues affecting local government

Scottish Government:

10. The Scottish Government has started its consultation for Scotland's independent fiscal commission to be established on a statutory basis. The commission was set up last year to scrutinise the government's devolved tax forecasts. Dependent on the outcome of the consultation, legislation would be introduced to the Scottish Parliament in autumn 2015.
11. An additional £107 million General Revenue Grant over and above the amount approved by the Scottish Parliament in February will be distributed among Scottish local authorities. These additional funds will mean that local authorities will receive their share of:
 - £70 million to fund the continuation of the council tax freeze
 - Over £26 million for the initial 80 per cent allocation of the Discretionary Housing Payments for next year, mitigating the effects of the UK Government's Bedroom Tax.
 - An additional £11 million added to General Revenue Grant alongside a corresponding reduction in the distributable Non Domestic Rate Income (NDR) of £11 million. This matches the poundage cap for business rates in England.
 - An addition of £6.5 million to support local government's contribution to the early implementation of the Developing the Young Workforce - Scotland's Youth Employment Strategy

Scottish Parliament

Parliamentary Committee News:

12. Presiding Officer Tricia Marwick has set out the case for cultural and structural change to the Scottish Parliament's Committee system in a lecture to the David Hume Institute. She suggests reducing the number of Scottish Parliamentary committees from 17 to 10 or 11 which would make the committees more powerful with greater policy cohesion. She has also suggested that committee convenors should be elected by their peers in order that the authority comes from the Parliament. Read her full speech at the David Hume Institute [here](#).

Local Government and Regeneration Committee:

13. At its meeting on 25 March 2015, the Committee considered the local government benchmarking scheme, taking evidence from SOLACE Scotland and the Improvement Service. The Committee asked to be informed of any developments of work on the scheme.
14. The Committee also considered the negative instrument [Local Government Pension Scheme \(Scotland\) Amendment Regulations 2015 \(SSI/2015/87\)](#) and did not make any recommendations to parliament.
15. At its meeting on 1 April 2015 the Commission was briefed by the Commissioner for Ethical Standards in Public Life in Scotland on his annual report. There was a question around whether because most arm's-length external organisations (ALEOs) are set up as charities, whether a member of the public making a complaint about an ALEO would write to the charities commissioner rather than the standards commissioner. It agreed to write to the Commissioner and the Office of the Scottish Charity Regulator in relation to a code of practice for persons sitting on ALEOs, who may not already be covered by an existing code. The Committee also agreed to write to the Commissioner seeking further information on how the Code of Conduct for Members of Scottish Local Authorities (the Councillor's Code) applies in terms of the use of social media.
16. The Committee has also advanced its work on the Community Empowerment Scotland Bill with Stage 2 coming to a close. Further detail below (Paragraph 27).

Public Audit Committee:

17. Regarding [The Scottish Government's purchase of Glasgow Prestwick Airport](#), the Committee considered and agreed its approach to evidence on the report at its meeting on 11 March 2015. At its next meeting the Committee considered evidence from Transport Scotland and Scottish Government. They also took evidence from Caroline Gardner, Auditor General and Ursula Lodge, Project Manager, Audit Scotland. The Committee agreed to refer the report to the Infrastructure and Capital Investment Committee and to note the report.
18. [Superfast broadband for Scotland: A progress report](#) was also discussed by the Committee at the beginning of March. They took evidence on the report from Fraser McKinlay, Director and Controller of Audit, Angela Cullen, Assistant Director, Graeme Greenhill, Senior Manager and Andra Laird, Audit Manager, Audit Scotland. The Committee agreed to write to the Cabinet Secretary for Infrastructure, Investment and Cities and the Infrastructure and Capital Investment Committee on issues raised in

discussion. The Committee also agreed to members undertaking a fact finding visit and to delegate arrangements for the visit to the Clerks.

19. Also at the meeting on 11 March the Committee discussed [Preparations for the implementation on the Scotland Act 2012](#). The Committee noted written submissions from [Revenue Scotland](#) and the [Scottish Government](#) on the report.
20. The Committee also considered two Section 22¹ reports as below:
 - [The 2012/13 audit of North Glasgow College](#). The Committee considered a written submission on the Auditor General report from the Scottish Further and Higher Education Funding Council. It was decided to refer the report to the Education and Lifelong Learning Committee and write to the Cabinet Secretary for Education and Lifelong Learning on issues raised in the discussion.
 - [The 2013/14 audit of NHS Highland: financial management](#). The Committee agreed to defer consideration of its draft report on the Auditor General for Scotland. The Committee agreed to seek oral evidence from NHS Highland at a future meeting and to consider an approach paper, in private, at a future meeting. At the next meeting, then considered and agreed its approach to a forthcoming evidence session with NHS Highland on the report.
21. At its 25 March 2015 meeting, the Committee considered evidence on the [Commonwealth Games 2014: Third report](#). The Committee considered its approach to the joint Auditor General and Accounts Commission report and took evidence from Caroline Gardner, Auditor General, Angela Cullen, Assistant Director and Michael Oliphant, Project Manager. The Committee agreed to write to the Scottish Government on issues raised in discussion. The Committee also agreed to note the report.

Infrastructure and Capital Investment Committee:

22. The Committee has been conducting an inquiry into freight transport in Scotland and took evidence from Derek Halden Consultancy, Kühne Logistics University and the Centre for Sustainable Road Freight, Unifeeder, DFDS Seaways and the Co-operative Group across its two most recent meetings.

Finance Committee:

23. At its meeting of 1 April 2015, the Committee took evidence on the UK economic and fiscal outlook from the Office of Budget Responsibility. They also took evidence on the Scottish Fiscal Commission.
24. The Committee considered and agreed its approach to the Financial Memorandums of the Harbours (Scotland) Bill and Education (Scotland) Bill.
25. Also at this meeting they agreed on the budget process and the Committee work programme.

¹ The Auditor General for Scotland (AGS) reports to the Public Audit Committee under Section 22 of the Public Finance and Accountability Act on the accounts of Scotland's public bodies (excluding local government).

Education and Culture Committee:

26. At its meeting on the 10 March, the Committee took evidence on educational attainment. Mary Scanlon (Highlands and Islands) (Con) referred to the Accounts Commission's report from last year in particular concerns about differing levels of attainment.

Bills – Progress Updates:

27. The [Community Empowerment \(Scotland\) Bill](#) was introduced by the John Swinney MSP, Cabinet Secretary, on 11 June 2014. Stage 2 consideration is now complete with Stage 3 consideration of the Bill due to take place in late April/early May 2015. The Local Government and Regeneration Committee is the lead committee.
28. One of the most recent changes to the Bill is that it encourages public bodies to promote and facilitate participation with local communities when setting budgets and making decisions and Ministers will have the power to require public bodies to engage if they fail to do so.
29. The main changes made to the Bill since its introduction can be summarised as follows:
- That the Scottish Government must consult with communities and the Parliament on the National Outcomes, and report annually on the extent to which those outcomes have been achieved.
 - Various changes to the provisions of the Bill on community planning to strengthen the role of communities, and the accountability of community planning partnerships to the communities they serve.
 - That public bodies must publicly report on their work on both participation requests and asset transfer requests.
 - Strengthened appeals processes for both participation requests and asset transfer requests.
 - A series of amendments to allow football supporters' trusts to buy professional football clubs.
 - Detailed changes to the provisions on allotments, including a standard size for an allotment and changes designed to reduce waiting lists.
 - New provisions on participation in public decision making, including on participatory budgeting.
 - A series of amendments to the Crofting Community Right to Buy, which simplified various aspects of the process, including the mapping requirements of an application.
 - Proposed amendments to the community right to buy abandoned or neglected land were not moved, on the understanding that the Minister would meet informally with Committee members before Stage 3 to find a better way of meeting the objectives of the Bill.
30. The [Education \(Scotland\) Bill](#) was introduced on 23 March 2015. The Bill proposes to:
- impose duties in relation to reducing pupils' inequalities of outcome;
 - modify the Education (Additional Support for Learning) (Scotland) Act 2004 and section 70 of the Education (Scotland) Act 1980
 - make provision about Gaelic medium education
 - make provision about school meals,
 - extend the duty to provide early learning and childcare to certain children.

31. The following Bills have not progressed further since my last report:
- The [Community Charge Debt \(Scotland\) Bill](#) was passed at Stage 3 on 19 February 2015.
 - Consideration of the [Criminal Justice \(Scotland\) Bill](#) at Stage 2 is continuing.
 - Consideration of the Government Bill, [Air Weapons and Licensing \(Scotland\) Bill](#) (introduced 14 May 2014) at Stage 1 continues.
 - The [Welfare Funds \(Scotland\) Bill](#) was passed at Stage 3 on 4 March 2015.
 - The [Budget \(Scotland\) \(No.4\) Bill](#) was passed Stage 3 on 4 February 2015.

Smith Commission - Updates:

32. At present, the Smith Commission's proposals are currently being considered within the Scottish and UK Parliaments, principally through the [Devolution \(Further Powers\) Committee](#) and [Scottish Affairs Committee](#) respectively. The Scottish Affairs Committee published a report on 10 March 2015 on the [Implementation of the Smith Agreement](#) finding the Smith Agreement 'represents the best of both worlds for Scotland and its people, giving much greater fiscal autonomy and accountability, but maintaining a good degree of protection within the wider UK economy from fiscal risks and shocks'.

COSLA, Improvement Service etc.:

33. As previously reported, the [COSLA 2015 conference](#) took place on 12 and 13 March 2015 at Crieff Hydro Hotel. The conference was entitled [Local Governance: Setting the Agenda](#) and explored the key challenges facing Local Government and how best meet these challenges by being proactive in setting the agenda. COSLA president David O'Neill addressed the exit of Glasgow, Aberdeen City, Renfrewshire and South Lanarkshire from COSLA and vowed to work to "create the circumstances to let every council back into COSLA membership".
34. The COSLA Conference also saw the winners of the 2015 COSLA Excellence Awards announced. Nine Scottish councils and their partners were awarded prizes for outstanding quality of service to the public. They were:
- East Lothian Council – East Lothian Hospitality and Tourism Academy (Service Innovations and Improvement Category)
 - Aberdeenshire Council – Library and Information Service within HMP and YOI Grampian (Achieving Better Outcomes Category)
 - City of Edinburgh Council – Willow (Tackling Inequalities and Improving Health Category)
 - North Ayrshire Council – Diverting Bulky Waste for Reuse (Strong and Sustainable Communities Category)
 - Argyll and Bute Council – Children and Families Service Redesign (Securing a Workforce for the Future Category)
 - West Dunbartonshire Community Health and Care Partnership - Link Up West Dunbartonshire: Older People Helping Older People (Local Matters Category)
 - East Renfrewshire Council – Quality On-Road Cycle Training (The SOLACE Best Team Award)
 - West Lothian – The West Lothian LGBT Youth Forum and Glitter Cannons Project (The COSLA Chair's Award)
 - Dundee City Council – The Crescent – Whitfield Life Services Centre (The Scottish Government Award for Delivering Excellence)
35. CIPFA Scotland held their annual public finance conference on 6 and 7 March in Glasgow. The conference focused on changes in the post referendum Scotland's new

tax powers and the work of the Smith Commission. Presentations from the conference are available on their website [here](#).

36. The Improvement Service and Scottish Government's [Economic Outcomes Programme](#), put in place to help councils maximise their economic impact, has commenced its second phase. The initial phase of the work has recently been completed with one of the main findings of the review that there is a significant opportunity to increase the impact of the programme by engaging more directly with Community Planning Partnership boards and corporate management teams.

Current activity and news in Scottish local government:

General:

37. Research carried out by the Joseph Rowntree Foundation, [The cost of the cuts: the impact on local government and poorer communities](#), has found that between 2010/11 and 2015/16, English local authorities cut spending by 27 per cent in real terms, compared with 11 per cent in Scotland. There has been uneven impact of budget reductions across local government in England and Wales, with authorities with more deprived populations suffering disproportionately higher levels of cuts. Cuts in Scotland have been more evenly distributed. The analysis suggests that cuts at the scale and pace of the last few years are unsustainable and thus raises questions over the anticipated level of cuts in the next spending period. Long-term, preventative approaches are being compromised by the need to make short-term savings. Where previous studies of the early years of the cuts suggested that local government was coping, this study finds that resilience is coming under increasing strain. Where previous studies have suggested that the impacts have been mitigated by the ability of councils to focus savings on back office or other efficiency measures, this report finds a marked shift to reductions in frontline services.
38. The Local Government Boundary Commission for Scotland has begun its two month consultation with local authorities on proposals to change council ward boundaries and the number of councillors. This precedes a 12 week consultation with the general public. The Commission expects to make its recommendations to Scottish Ministers by May 2016, with the resulting wards available for the Scottish local government elections in May 2017. More information is available in their [press release](#).

Individual councils:

39. The following paragraphs highlight current activity and news occurring in local government over the previous month as well as developing issues. The items are drawn from a range of sources including news articles, websites and media summaries. Some of the more significant issues are highlighted in the following sections.
40. Aberdeen City Council and Aberdeenshire Council have agreed to open direct negotiations with UK and Scottish governments on a £2.9 billion City Region Deal. The deal aims to release the £2.9 billion for infrastructure improvements over the next 20 years which would be supported by an economic strategy focusing on internationalisation, innovation and skills. The investment would come on top of the capital plans already in place by Aberdeen City Council and Aberdeenshire Council totalling £1.4billion of investment over the next 10 years.
41. Glasgow City Council has been named Council of the Year in the Local Government Chronicle Awards 2015. A full list of winners is available [here](#).

42. North Lanarkshire Council have settled a second wave equal pay case with more than 4,000 women, who are to receive payouts of backdated equal pay. The total amount due to be paid out has not been disclosed.

Scrutiny, inspection, regulatory and related bodies

Scottish Police Authority (SPA):

43. Following the special board meeting of the SPA in February to seek clarification of recent issues surrounding the past and future use of the stop and search tactic in Scotland, Police Scotland provided the Scottish Government with their updated report on the practice of non-statutory or consensual stop and search. The SPA has written to the Cabinet Secretary for Justice setting out their views on the report. The letter is available to view [here](#).
44. At the Scottish Police Federation conference on 1 April Chief Constable Stephen House announced that he was unlikely to stay in the post when his contract finishes next year.

Her Majesty's inspectorate of Constabulary of Scotland (HMICS):

45. HMICS carried out an [Audit and Assurance Review of Stop and Search](#) which lays out a number of recommendations including the potential development of a statutory Code of Practice for stop and search in Scotland. As a result of the review, in order to take the recommendations forward, Police Scotland will be asked to create an improvement plan.

Scottish Public Sector Ombudsman (SPSO):

46. The March newsletter [SPSO News – March](#) summarises February 2015 case numbers, outlines investigations reports, recent SPSO news and highlights emerging issues. More information on the SPSO's work, including detailed Investigations and decision reports, is available on the [Our findings](#) webpage. More detailed intelligence from the SPSO is considered routinely by the Financial Audit and Assurance Committee.

Commissioner for Ethical Standards in Public Life in Scotland:

47. Since the previous meeting of the Commission, one decision on complaints relating to councillors was published by the [Commissioner](#). It was decided Councillor David Paterson at Scottish Borders Council did not contravene the Councillor's Code of Conduct. In cases where the Commissioner concludes that the Code had been contravened the complainant is referred to the Standards Commission for Scotland for further investigation. More detailed intelligence from the Commissioner is considered routinely by the Financial Audit and Assurance Committee.

Standards Commission for Scotland:

48. A hearing of the Standards Commission for Scotland on 24 March 2015, censured Councillor Corrie McChord, Stirling Council for breach of the Councillors' Code of Conduct. At a meeting of Stirling Licensing Board on 17 April 2013 Councillor McChord disclosed confidential information about another councillor. The panel accepted that

whilst the disclosure was not intentional, it should not have been made in a public meeting.

49. The complaint against eight councillors from Aberdeen City Council, namely [Councillors Barney Crockett, Neil Cooney, Fraser Forsyth, Ross Grant, Jenny Laing, Ross Thomson and Willie Young](#) will resume in April. The Commission will hold a future hearing to consider complaints against [Councillor Andy Doig](#), Renfrewshire Council (to be announced).

Other UK Audit Bodies

National Audit Office:

50. On 23 March 2015, the NAO published a [Code of Audit Practice](#) for local public bodies. The code sets out what local auditors must do to meet their responsibilities according to the new arrangements set out under the Local Audit and Accountability Act 2014. The code takes effect from 1 April 2015 and applies for audits for the financial year 2015-16 and beyond. The NAO has also published a guide setting out the public's rights to inspect and raise objections to council accounts. More details are available on NAO's [website](#).
51. The [Report of the Comptroller and Auditor General: Whole of Government Accounts 2013-14](#) was published on 29 March 2015. The Whole of Government General Accounts (WGA) give the overall financial position of the UK public sector. The treasury has continued to make improvements to the robustness and timeliness of the report.
52. A report, [The centre of government: an update](#) was published on 12 March. It provides a look at how the role of central government has changed as a result of austerity and also looks at recent developments, for example the changes brought about as a result of the new Chief Executive of the Civil Service. The report also recommends what central government need to do to help departments achieve the spending reductions required and more widely for coordinating and overseeing the work of government.

Audit Commission:

53. The Audit Commission closed on 31 March 2015 as a result of the Local Audit and Accountability Act 2014. Further details of where the below functions will be carried out are on the Commission's [website](#):
 - Management of audit contracts
 - Grant certification
 - Code of Audit Practice
 - Whistleblowing
 - National Fraud Initiative
 - Counter Fraud
 - Provision of information about audit
 - Analytical tools
 - National value for money studies
 - Best value inspections
 - Audit Commission historic reports and information

Westminster

Public Accounts Committee:

54. The Committee published their report on [Public Health England's grant to local authorities](#). The report found that many local authorities do not receive a proportion of public health funding that fairly reflects their needs. Nearly one third of 152 local authorities currently receive funding that is more than 20% above or below what would be their fair share. Thirteen local authorities remain more than 20% below their finding proportions. As the Department of Health has decided not to change the grant distribution for 2015-16, with the total amount remaining the same, these inequalities will persist.
55. The Committee published a report of the [Works of the Committee of Public Accounts 2010-15](#) looking at the key areas of their work in the previous five years as the current parliament draws to a close. The Committee is now dissolved until after the General Election on 7 May 2015.
56. In a report the Committee published on [Inspection in Home Affairs and Justice](#) they find that current arrangements for inspection and scrutiny may not be seen as genuinely independent. The Ministers that appoint chief inspectors and set their budgets and length of tenure are the same Ministers who are responsible for the sectors they inspect. The report highlights that there is therefore a risk that Departments could use this control over inspectorates as a mechanism for influencing Chief Inspectors. The Committee therefore recommends that a full review of these arrangements needs to be carried out.

Conclusion

57. The Commission is invited to consider and note this report.

Paul Reilly
Secretary to the Accounts Commission
8 April 2015

MEETING: 16 APRIL 2015**REPORT BY: DIRECTOR OF PERFORMANCE AND BEST VALUE****NATIONAL SCRUTINY PLAN 2015/16**

Purpose

1. This report introduces the National Scrutiny Plan for Local Government 2015/2016 and its related commentary report. It draws on, and summaries, the outcomes of the recent shared risk assessment process that has taken place in each of Scotland's 32 councils.

Background

2. This is the sixth National Scrutiny Plan (NSP) produced on behalf of the Local Government Strategic Scrutiny Group. That group is chaired by the chair of the Accounts Commission. The deputy chair of the Commission also sits on this group.
3. The NSP is aggregated from the individual council scrutiny plans contained within the 32 Local Scrutiny Plans (LSPs) prepared by Local Area Networks using the shared risk assessment process.
4. The contents of the National Scrutiny Plan for Local Government 2015/2016 and the related commentary report were considered and approved by the Strategic Scrutiny Group and 'published' alongside the 32 individual council LSPs at the end of March. This meant that all of this material was in the public domain before the start of the 2015/16 financial year. That was a considerable improvement in timeliness, as last year publication was in June, some two months later. This reflects the impact of the more streamlined approach to the SRA that was introduced this year.

Recommendations

5. The Accounts Commission is asked to endorse the content of the National Scrutiny Plan and the covering report.

Fraser McKinlay
Director of Performance Audit and Best Value
7 April 2015

National scrutiny plan 2015/16

A summary of local government
strategic scrutiny activity



Prepared on behalf of the Strategic Scrutiny Group
March 2015



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Background




1. The National Scrutiny Plan for local government has been jointly prepared by members of the Strategic Scrutiny Group (SSG). This group comprises Scotland's main public sector scrutiny bodies – the Accounts Commission, Audit Scotland, Education Scotland, the Care Inspectorate, Healthcare Improvement Scotland, Her Majesty's Inspectorate of Constabulary in Scotland, Her Majesty's Fire Service Inspectorate, Her Majesty's Inspectorate of Prisons for Scotland and the Scottish Housing Regulator. Details of each body can be found in [Appendix 1](#). In this report, they are collectively referred to as scrutiny bodies.

2. The SSG was established in February 2008 following publication of the Crerar Report, when the Scottish Government asked the Accounts Commission to take on a gatekeeping role in respect of the scrutiny of local government to support the delivery of better coordinated more proportionate and risk-based local government scrutiny.

3. Since 2008, all the main scrutiny bodies for local government have worked together through Local Area Networks (LANs) to share intelligence and agree the key scrutiny risks in each of Scotland's 32 councils. Annually, each LAN has prepared an Assurance and Improvement Plan (AIP) (now known as a Local Scrutiny Plan), setting out the planned scrutiny activity for the council to respond to those specific risks. This approach, called Shared Risk Assessment (SRA), is designed to ensure proportionate and risk-based scrutiny.

4. This 2015/16 National Scrutiny Plan for local government is one of the key outputs from the SRA process. It is the sixth such plan and summarises the strategic scrutiny work¹ from April 2015 to March 2016 in each of Scotland's 32 councils. The plan includes all strategic scrutiny activity of which we are currently aware. This is a combination of risk-based scrutiny identified locally by LANs and scrutiny that is planned as part of national inspection programmes, such as the Care Inspectorate's joint inspections of services for children, young people and families and strategic inspections of adult services. It also includes assisted self-evaluation work requested by councils that is designed to build self-evaluation capacity and support improvement.

5. A separate table showing planned scrutiny activity is available on the [Audit Scotland website \[PDF\]](#) .

¹ Strategic scrutiny work does not include scrutiny activity carried out at service unit or institution level, such as inspections of individual schools or care homes, or the annual financial audit of public bodies.

Part 1

Shared Risk Assessment developments for 2015/16



6. As part of our commitment to continuous improvement, we review the SRA process each year. Our review process involves feedback from staff who are involved in the process; consultation with relevant stakeholders (such as local authority chief executives); and consideration of changes to the scrutiny and public policy landscape. Each year recommendations for change and improvement are considered by the Strategic Scrutiny Group (SSG).

7. The key findings from the review activity that took place in the summer of 2014 (which informed the current SRA cycle) were that there is a general consensus among councils and scrutiny bodies that the SRA process is beneficial, and that if it did not already exist a similar set of arrangements to coordinate local government scrutiny activity and provide a framework for ensuring effective liaison between scrutiny bodies and local authorities would need to be introduced. However, there was a widespread view that over time the process had become too resource intensive and time-consuming for scrutiny bodies. Inconsistent engagement and communication between LAN and councils also emerged as another significant theme, as did the need to improve the links between the SRA and some national scrutiny programmes.

8. In response to those findings, we introduced a number of developments in the SRA process for 2015/16. These included:

- enhancing the central planning and scheduling of national scrutiny activity across scrutiny bodies through more regular ongoing dialogue among senior officers
- improving the way LANs operate and making their interaction with councils more consistent and more regular
- refocusing the scrutiny risk assessment framework to align it more closely with the core statutory roles and responsibilities of the scrutiny bodies that are involved in the process
- streamlining SRA documentation.

9. A key development for 2015/16 has been to replace Assurance and Improvement Plans (AIPs) (which for many councils had become very lengthy documents) with much shorter Local Scrutiny Plans (LSPs) that are more clearly focused on the specific local scrutiny risks and responses identified by the LAN.

10. The risk assessments made by LANs have also changed. In previous years risk assessments resulted in one of the following judgements: no scrutiny required; further information needed; or scrutiny required. For 2015/16 we

introduced a new risk assessment option of 'ongoing oversight and monitoring required'. This scrutiny risk assessment option has been introduced to provide LANs with an opportunity to capture and reflect areas of risk or uncertainty within councils that require ongoing oversight and monitoring, but where additional scrutiny activity is unlikely to add value. Areas that might fall in to this category might include:

- identified risks (eg, local impact of welfare reform, developing longer-term financial plans and strategies) that are being managed and/or mitigated by the council where additional scrutiny activity is unlikely to add value in supporting improvement
- risks that have been identified but which are not yet significant enough to justify scrutiny at present.

11. This year LANs continued to maintain an interest in how the national public service reform agenda is being implemented by councils and their partners. In particular:

- community planning (including community empowerment, the shift towards prevention and local approaches to co-production)
- preparations for implementation of health and social care integration
- the local impact of police and fire reform
- welfare reform planning (including local partnership working to mitigate any potential negative local impacts).

12. The outcomes of local discussions between LANs and councils on these topics have not been reported in LSPs but have, instead, been used to inform the SSG's assessment of progress that is being made by councils in responding to Scotland's wide-ranging and complex public service reform agenda.

Part 2

Scrutiny activity



National scrutiny programmes

13. There is a range of national scrutiny activity planned across councils over the next year and beyond. Where activity has been identified for 2015/16 that impacts on individual councils it is included in the National Scrutiny Plan. Significant pieces of national scrutiny activity that are planned during 2015/16 include:

- Audit Scotland's programme of national performance audits that it undertakes on behalf of the Accounts Commission and Auditor General for Scotland. Audit Scotland has three performance audits covering local government planned during 2015/16. It will be developing a performance audit on social care services (which will involve some joint working with the Care Inspectorate) and will also be working jointly with the Care Inspectorate and Healthcare Improvement Scotland (HIS) on an initial position statement on Health and Social Care integration arrangements across Scotland. The third piece of work will be a follow-up audit on the progress that is being made across Scotland in improving roads maintenance. The [performance audit programme for 2015/16](#) is available online. Audit Scotland will also continue to carry out a national programme of housing benefit risk assessments across councils.
- The Care Inspectorate will begin to review Alcohol and Drug Partnerships' self-assessment of performance and progress of implementing the *Quality Principles: Standard Expectations of Care and Support in Drug and Alcohol Services*, within the Quality Improvement Framework.
- Education Scotland will be working in partnership with councils to carry out a validated self-evaluation (VSE) of educational psychology services across all councils over a two-year period beginning in 2015/16. It will also review of the quality of careers information advice and guidance services delivered by Skills Development Scotland across all council areas. This will be a three-year programme beginning in 2015/16. In addition, Education Scotland will continue to engage with councils for the purpose of VSE.
- HMICS will be inspecting local policing divisions across Scotland over the next three years. This includes three divisions during 2015/16. Divisional inspections will cover partnership working and in particular, local scrutiny and engagement between Police Scotland and councils and the local Community Planning Partnership and Community Safety Partnership. Local police inspections also include a 'plus' element, which aims to investigate national issues through a local lens. These elements are subject to separate reports published on its website www.hmics.org.uk.

- HMFSI will be inspecting local fire and rescue services across Scotland over the next five years. These inspections will examine, among other things, local scrutiny and engagement between the Scottish Fire and Rescue Service (SFRS) and councils. As part of its programme, HMFSI will inspect four local fire and rescue services during 2015/16. Additionally, HMFSI has a programme of thematic inspections, which in 2015 will include a look at SFRS preparedness for a serious flooding event. HMFSI may also carry out ad hoc inspections in response to specific events, which can involve contact with local authorities.
- The Scottish Housing Regulator (SHR) will carry out a programme of thematic inquiries across a range of housing services including: Gypsy/ Travellers; factoring services; gas safety; complaints handling; customer service standards; repairs; rent consultation; equalities; and openness and accessibility. It will also carry out regulatory assessments focused on the Scottish Social Housing Charter indicators. In carrying out its work, the SHR does not necessarily have any engagement with a council. Where this is the case, details of these are not shown in this plan.

Collaborative scrutiny

14. There is a range of collaborative scrutiny planned across local government in 2015/16:

- As highlighted above, Audit Scotland will be working jointly with the Care Inspectorate looking at social care and jointly with both the Care Inspectorate and HIS on a Health and Social Care integration position statement.
- The Care Inspectorate and Healthcare Improvement Scotland will be carrying out joint inspections of services for adults during 2015-16. Inspections will initially focus on services for older people then, at the latter part of the year, it is envisaged these will encompass other adults' services.
- The Care Inspectorate and HMICS will be undertaking a joint thematic review of Multi-Agency Public Protection Arrangements (MAPPA) in Scotland during 2015. The purpose of the review will be to assess the status, efficiency and effectiveness of the MAPPA process in Scotland in terms of keeping people safe and reducing the potential risk of serious harm by registered sex offenders in our communities. It will cover all 32 local authorities and involve local authorities, Police Scotland, NHS boards and the Scottish Prison Service.
- The Care Inspectorate will lead joint inspection of services for children and young people, which will also involve participation by HIS, Education Scotland and HMICS. These inspections are part of the Care Inspectorate's wider planned programme of national scrutiny work.
- HMICS is currently exploring opportunities with HMFSI around common inspection methodology and joint approaches, where appropriate, to examine local police and fire scrutiny engagement.

15. On behalf of the SSG, national scrutiny partners will also be continuing to carry out a collaborative piece of work in partnership with Perth and Kinross Council and its community planning partners during 2015/16. This work aims to devise and assess a potential methodology for the evaluation and scrutiny of how community planning is operating at a local level, known as place-based scrutiny. This methodology will have particular focus on the four pillars of public service reform – prevention, partnership, people and performance.

Part 3

Strategic scrutiny group development and improvement priorities



16. The context in which the SSG operates has changed significantly since its establishment in 2008. A number of new scrutiny bodies have been created (Education Scotland, Care Inspectorate, HIS) and others have seen either their role and status amended (ie, SHR) or the nature of the service that they inspect change from a local to national service (HMICS, HMFSI).

17. Over the same period the Scottish Government has also been implementing a wide-ranging public service reform agenda, which includes:

- the Scottish Government/COSLA review of community planning
- the creation of single national police, and fire and rescue services
- health and social care integration
- Getting it right for every child (GIRFEC) and the Children and Young People (Scotland) Act 2014
- college regionalisation.

18. A common feature of these developments is that they extend beyond local government and affect a range of different public sector bodies. However, the formal remit of the SSG currently remains the same as when it was established in 2008, ie focused on local government scrutiny coordination.

19. In the context of this changing public sector policy and delivery landscape, the SSG has been clear that it could add more value as a group if it were to:

- become the main forum for scrutiny bodies to develop coordinated strategic responses to major public sector legislative changes or policy developments (including public service reform)
- broaden its scrutiny coordination role to include national thematic scrutiny activity and partnership-based audit and inspection work
- strengthen its focus on supporting improvement and promoting best practice in Scotland's public services
- better drive continuous improvements in operational scrutiny practices (eg, the alignment of scrutiny approaches, promoting more shared training across agencies, implementing more consistent approaches to self evaluation and supporting improvement).

20. This changing context led the SSG, during 2014, to agree a new Terms of Reference that is designed to capture these broader ambitions for its role. During 2014 the SSG also implemented four improvement projects to help it deliver its improvement ambitions. These projects were:

- **Achieving effective alignment between external scrutiny and the public service reform agenda:** the purpose of this improvement project is to ensure that scrutiny developments reflect the evolving public service reform agenda, with its focus on place, partnership, prevention, and performance.
- **Implementing arrangements for improved coordination and alignment of national thematic scrutiny and the scrutiny of partnerships:** the purpose of this improvement project is to establish new arrangements for ensuring appropriate 'joined-up' approaches to the scrutiny of key national policy developments and to improve the planning, scheduling and alignment of partnership-based scrutiny activity.
- **Place-based scrutiny pilot:** the purpose of this pilot is to devise and assess a potential methodology for the evaluation and scrutiny of how well public bodies are operating in partnership at a local level to deliver high quality integrated public services that reflect the needs of local people. The pilot will have a particular focus on the four pillars of public service reform – prevention, partnership, people and performance.
- **Programme of operational scrutiny improvement:** the purpose of this improvement project is to support the strategic group in driving continuous improvement in operational scrutiny practices that contribute to shared learning and the more consistent application of best practice across the scrutiny sector.

21. These projects are still being implemented and their outcomes will be reported later in the year.

Appendix 1

The Local Government Scrutiny Coordination Strategic Group members



Accounts Commission	The Accounts Commission is a non-departmental public body (NDPB). The Accounts Commission is the public's independent watchdog for local government in Scotland. Its role is to examine how Scotland's 32 councils manage their finances, help these bodies manage their resources efficiently and effectively, promote Best Value and publish information every year about how they perform.
Audit Scotland	Audit Scotland is a statutory body providing services to the Accounts Commission and the Auditor General for Scotland (AGS). Working together, the Accounts Commission, the AGS and Audit Scotland ensure that public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.
Care Inspectorate	The Care Inspectorate is a non-departmental public body (NDPB). The Care Inspectorate's purpose is to provide assurance and protection for people who use care, social work and children's services.
Education Scotland	Education Scotland is an executive agency. It is the Scottish Government's national development and improvement agency for education. It is charged with providing support and challenge to the education system, from early years to adult learning, in line with the government's policy objectives.
Healthcare Improvement Scotland	Healthcare Improvement Scotland (HIS) is a health body. The function of HIS is to improve the quality of the care and experience of every person in Scotland every time they access healthcare by supporting healthcare providers.
Her Majesty's Fire Service Inspectorate	The Fire Service Inspectorate in Scotland exists to provide independent, risk-based and proportionate professional inspection of the Scottish Fire and Rescue Service. Its purpose is to give assurance to the Scottish public and Scottish ministers that the Service is working in an efficient and effective way, and to promote improvement in the Service. Through this, the Inspectorate provides external quality assurance to the Service, and provides support to the Service in delivering its functions.
Her Majesty's Inspectorate of Constabulary in Scotland	Her Majesty's Inspectorate of Constabulary in Scotland (HMICS) provides independent scrutiny of both Police Scotland and the Scottish Police Authority. Its approach is to support Police Scotland and the Authority to deliver services that are high quality, continually improving, effective and responsive to local needs. It can inspect other UK police services that operate in Scotland and are members of the National Preventive Mechanism, inspecting police custody centres to monitor the treatment and conditions for detainees.
Her Majesty's Inspectorate of Prisons for Scotland	Her Majesty's Chief Inspector of Prisons for Scotland is required to inspect the 15 prison establishments throughout Scotland in order to examine the treatment of, and the conditions for prisoners. The Chief Inspector also has responsibility for the inspection of legalised police cells and the treatment of and conditions for prisoners under escort.
Scottish Housing Regulator	The Scottish Housing Regulator (SHR) is a non-ministerial department. The statutory objective of the SHR is to safeguard and promote the interests of people who are or may become homeless, tenants of social landlords, or recipients of housing services provided by social landlords.

Appendix 2

Glossary



Local Scrutiny Plan (LSP)	Document which captures agreed areas of risk and good practice, and the resulting scrutiny response for each council. It is the primary planning document for scrutiny bodies.
Local Area Network (LAN)	There is a LAN for each council, comprising representatives of all the scrutiny bodies who engage with the council. LAN members ensure that information and intelligence held by each scrutiny body is shared.
National Scrutiny Plan (NSP)	The aggregation of the individual council's scrutiny plans into a national plan detailing all the scrutiny work planned across Scottish councils.
Scottish Social Housing Charter	The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The Charter was approved by the Scottish Parliament and came into effect from 1 April.
Shared Risk Assessment (SRA)	A joint approach using key information about local government to plan scrutiny activity that is proportionate and based on risk.
Validated Self-Evaluation (VSE)	Assistance provided by Education Scotland to councils on request, to help them develop their own methods and quality of self scrutiny.

National scrutiny plan 2015/16

A summary of local government strategic scrutiny activity

This report is available in PDF and RTF formats,
along with a podcast summary at:

www.audit-scotland.gov.uk 

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National Scrutiny Plan for Local Government 2015/16

Council	Q1			Q2			Q3			Q4		
	April	May	June	July	August	September	October	November	December	January	February	March
Aberdeen City			MAPPA			CPP F/U			ASI	ASI		
Aberdeenshire	CSI	CSI	CSI									
Angus			MAPPA						FBV (dates tbc)			
Argyll & Bute	ASI	ASI	ASI									
Clackmannanshire		CSI F/U	MAPPA									
Dumfries & Galloway	MAPPA	VSE (dates tbc)	CSI F/U							ASI	ASI	SHR performance investigation (tbc)
Dundee City			MAPPA			CSI	CSI				Fire	
East Ayrshire	MAPPA											
East Dunbartonshire		MAPPA	EPS review									
East Lothian		MAPPA				ASI	ASI					
East Renfrewshire		MAPPA	Fire									
City of Edinburgh		MAPPA	Local Policing +									
Eilean Siar		CSI	CSI	Fire								
Falkirk		MAPPA				CPP F/U		CSI	CSI			
Fife	MAPPA				CSI	CSI	CSI	CIAG				
Glasgow City		MAPPA				CPP F/U	CIAG					
Highland			MAPPA									
Inverclyde	EPS review	MAPPA										
Midlothian		MAPPA										
Moray			MAPPA	HB review		CPP F/U						
North Ayrshire	MAPPA		HB review			CPP F/U						
North Lanarkshire			MAPPA			HB review						
Orkney Islands		EPS review	MAPPA	HB review		CPP F/U						
Perth & Kinross	Place-based inspection (pilot)		MAPPA					HB review			CIAG	
Renfrewshire	HB review	MAPPA										
Scottish Borders		MAPPA				CIAG	CPP F/U			CSI	CSI	
Shetland Islands		MAPPA	CIAG							CIAG	HB review	
South Ayrshire	MAPPA											BV (tbc)
South Lanarkshire			MAPPA			ASI	ASI	ASI				
Stirling		CSI F/U	MAPPA									
West Dunbartonshire		MAPPA										
West Lothian		MAPPA	EPS review			CPP F/U		Fire				

Key

Audit Scotland	
Best Value (BV)	
Follow-up Best Value (FBV)	
Targeted Best Value Audit (TBV)	
Community Planning Partnership follow-up (CPP F/U)	
Housing Benefit Risk Assessment (HB)	
Auditor	
Additional annual audit work (AAA)	
Care Inspectorate	
Children's Services Inspection (CSI)	
Adult Services Inspection (ASI)	

Care Inspectorate/HMICS	
MAPPA	
HMICS	
Local Policing +	
Education Scotland	
Education Psychology Service (EPS)	
Validated Self-Evaluation (VSE)	
Careers Information (CIAG)	
Other	

HMFSI	
Local area inspections (Fire)	
Scottish Housing Regulator	
Performance Investigation (SHR)	
Local Area Network (LAN) 2	
LAN follow up work	
Collaborative work	
As described	

MEETING: 16 APRIL 2015

REPORT BY: DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

SHARED RISK ASSESSMENT AND BEST VALUE AUDIT WORK 2015/16

Purpose

1. This 2015/16 annual update report to the Commission:
 - reminds Commission members of the rationale behind the introduction of the Shared Risk Assessment (SRA) process
 - explains the links between the SRA process and the Commission's programme of Best Value audit work
 - sets out the proposed Best Value audit work arising from the 2015/16 Shared Risk Assessment (SRA) process
 - sets out the extensive range of oversight and ongoing monitoring activity planned by Local Area Networks (LANs) during 2015/16.

Background

2. One of the key recommendations of the Crerar report¹ was that ministers should identify and appoint an appropriate body to co-ordinate local government scrutiny. In response to the Crerar recommendation, in February 2008 the Scottish Government asked the Accounts Commission to take on a co-ordination and gatekeeping role to support the delivery of better coordinated more proportionate and risk-based local government scrutiny.
3. The Strategic Scrutiny Group (SSG) was established to support the Accounts Commission in taking forward this new area of work. This group, which is chaired by the Accounts Commission chair, comprises Scotland's main public sector scrutiny bodies - the Accounts Commission, Audit Scotland, Education Scotland, the Care Inspectorate, Healthcare Improvement Scotland, Her Majesty's Inspectorate of Constabulary in Scotland, Her Majesty's Fire Service Inspectorate, Her Majesty's Inspectorate of Prisons and the Scottish Housing Regulator.
4. In 2009, a new approach called the Shared Risk Assessment process (SRA) was introduced by the SSG to ensure proportionate and risk-based scrutiny in the local government sector. This is a process through which the main local government scrutiny bodies work together through Local Area Networks (LANs) to share intelligence and agree the key scrutiny risks in each of Scotland's 32 councils. Annually, each LAN prepares an Assurance and Improvement Plan (now known as a Local Scrutiny Plan), setting out the planned scrutiny activity in the council to respond to those specific risks. The first set of Assurance and Improvement Plans (covering the period 2010-13) were published in 2010. There have now been six cycles of the SRA process, including the one that is being reported today.

¹ The Crerar Review. The report of the independent review of regulation, audit, inspection, and complaints handling of public services in Scotland. Scottish Government, September 2007.

Reports on Best Value audit work considered by the Accounts Commission during 2014/15

5. During 2014/15, the Accounts Commission considered the following reports on Best Value related audit work:
 - Comhairle nan Eilean Siar (May 2014)
 - Argyll and Bute Council (June 2014)
 - Edinburgh City Council (November 2014)
 - South Ayrshire Council (December 2014)
6. Two further Best Value audit reports, on East Dunbartonshire and Falkirk councils are due to be considered at the Commission's May meeting, with a report on Aberdeen City Council scheduled for June.
7. Following our September 2013 audit report on the Moray Council, the Commission had requested a report on progress made by the council after 18 months. Since the Commission made that request we have continued to monitor improvement progress at the council through the annual audit process and the shared risk assessment process. On the basis of our ongoing monitoring activity, and as a consequence of the publications moratorium for the UK general election, it is now proposed to bring this report to the Commission at its meeting in September 2015.
8. The links between the SRA process and these various pieces of work were:
 - **Argyll and Bute Council:** The council's 2013-16 AIP highlighted areas of uncertainty and risk associated with leadership and culture, specifically the effectiveness of member to member and member to officer working relationships. This triggered Best Value audit work which led to a report to the Commission in October 2013. The Commission asked for a further report by the Controller of Audit on progress made by the council over the six month period after publication of its findings.
 - **Edinburgh City Council:** The 2013-16 AIP highlighted the need for a further Best Value audit as a consequence of a combination of factors, including the financial challenges arising from the council's decision not to proceed with aspects of its Alternative Business Model (ABM), the investigation into the council's statutory repairs service and the reputational damage associated with the management of the Edinburgh Trams project. This triggered Best Value audit work which led to a report to the Commission in May 2013. The Commission requested a further report by the Controller of Audit on progress made by the council in around 18-months after publication of its findings.
 - **South Ayrshire Council:** The 2013-16 AIP highlighted a number of corporate areas where scrutiny was required to ensure that performance improvement was sustained by the council. These included: vision and strategic direction; performance management; and leadership and culture. This triggered Best Value audit work which led to a report to the Commission in February 2014. The Commission requested a further report by the Controller of Audit on progress made by the council by December 2014 at the latest.
 - **East Dunbartonshire Council:** The 2013-16 Assurance and Improvement Plan (AIP) highlighted areas of uncertainty and risk caused by a slow pace of change and concerns about improvement capacity within the Council. This triggered Best Value audit work which led to a report to the Commission in December 2013. That report brought to the Commission's attention concerns about a number of important Best Value related aspects of the council's performance. These were: performance and information management; workforce planning; asset management; and, procurement. The Commission directed the Controller of Audit to undertake further audit work on these four areas of concern during

2014/15.

- **Falkirk Council.** The 2014-17 AIP highlighted concerns about the effectiveness of the new decision-making structure introduced by the council in May 2013, linked to non-participation of some members at the executive and scrutiny committee meetings, and scrutiny and policy development panels. The AIP also highlighted concerns about the maturity and effectiveness of the council's performance management arrangements.
- **Aberdeen City Council:** the 2014- 17 AIP highlighted the need for Best Value follow up activity focused on leadership and governance in light of the significant changes in leadership in the Council over the previous 18 months.
- **Moray Council:** The 2012-15 AIP highlighted political leadership as an area of significant scrutiny risk, particularly regarding the slow pace of change since the last Best Value progress report on the Council in 2010. This resulted in the Best Value audit report that was considered by the Commission in September 2013. The Commission recognised that the council's performance against its improvement plan will feature in the annual audit process and asked the Controller of Audit to report back on progress 18 months after publication of its findings.

Planned Best Value audit work and LAN oversight and monitoring activity during 2015/16

9. Appendix 1 to this report summarises the Best Value audit work and LAN oversight and monitoring activity that has arisen from this year's SRA process. The range of planned activity is summarised in Table 1.

10. Commission members will note that Angus is the single Council where a new full Best Value audit work has been identified through this year's SRA process. However, SRA-driven audit work is ongoing at Aberdeen City and Falkirk Councils and follow-up audits on behalf of the Accounts Commission are planned or ongoing in five councils. It is anticipated that this programme of work will allow resources to be dedicated to supporting the ongoing development and testing of the new Best Value audit approach during 2015/16.

Table 1

Best Value related audit work and LAN oversight and monitoring 2015/16

Activity	Councils
Best Value audit work	<ul style="list-style-type: none"> • Aberdeen City (ongoing) • Angus (new work) • Argyll and Bute (planned f/up audit) • City of Edinburgh (planned f/up audit) • East Dunbartonshire (ongoing) • Falkirk (ongoing) • Moray (re-scheduled for later in 2015) • South Ayrshire (planned f/up audit)
Targeted local audit work	<ul style="list-style-type: none"> • Fife (Governance BV Toolkit) • Glasgow (Social work external contract monitoring) • Highland (Efficiency savings audit work) • Inverclyde (Regeneration and efficiency saving audit work) • Midlothian (Efficiency savings, performance management and scrutiny audit work) • North Ayrshire (Efficiency savings audit work) • Perth and Kinross (Locality-based scrutiny pilot work)
LAN monitoring and oversight	<ul style="list-style-type: none"> • Aberdeenshire • Clackmannanshire • Dumfries and Galloway • East Ayrshire • Dundee City • East Lothian • East Renfrewshire • Eilean Siar • North Lanarkshire • Orkney Islands • Renfrewshire • Shetland Islands • Scottish Borders • South Lanarkshire • Stirling • West Dunbartonshire • West Lothian

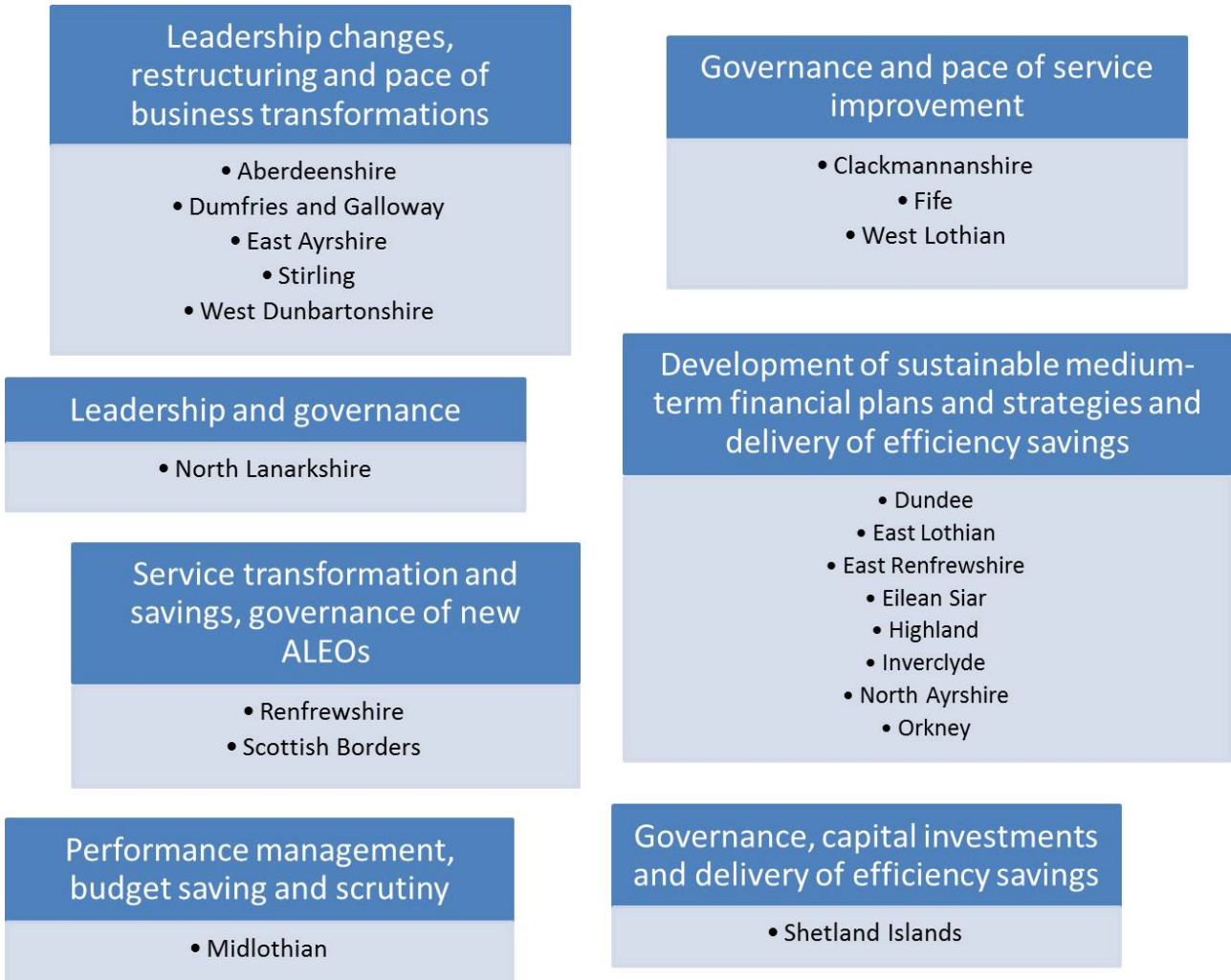
Source: Audit Scotland

11. Exhibit 1 summarises the range of strategic and operational risk areas that will be monitored by LANs during 2015.

12. This LAN oversight and monitoring activity is in addition to the routine annual audit work that will be taking place across all 32 local authorities. The annual audit will itself consider many of the areas (e.g. leadership and governance, performance management, medium-term financial planning) that have been identified for specific oversight by LANs and will inform the LAN work.

Exhibit 1

LAN oversight and monitoring activity 2015/16



Source: Audit Scotland

The new approach to the audit of Best Value in local government and its links with the SRA process

13. One of the main themes that the Commission will be considering at its strategy seminar in April is its future approach to the local government Best Value audit. The Commission has previously agreed that the new model should incorporate the following elements:
 - An assessment of pace and continuity of improvement to be at its core
 - A need for the Commission to gain assurance about the performance of all councils, with more detailed and intensive work as appropriate
 - Making better use of the annual financial audit (including external firms)
 - Consideration of how the above affects the SRA process
 - Consideration of how the above fits in with the 'joined-up' scrutiny agenda with the Commission's strategic scrutiny partners.
14. This means that as the Commission continues to develop its thinking about the future approach to the auditing of Best Value in local government it will want to:
 - engage with the strategic scrutiny group, which is chaired by the chair of the Accounts Commission, to ensure that the new Best Value audit approach has the support of its scrutiny partners
 - ensure that any further development of the SRA process reflects the Commission's evolving thinking on how it wishes to further develop the local government Best Value audit approach.
15. The proposed Best Value audit programme set out in Table 1 of this report will be used as an opportunity to test out the new ways of working that the Commission anticipates adopting in its new Best Value audit approach through, for example, the use of a more integrated audit team in the Argyll and Bute Best Value audit.

Conclusion

16. The Commission is invited to:
 - (i) endorse the proposed Best Value audit activity arising from the recent SRA process
 - (ii) note the proposal to bring the Moray Council Best Value follow-up audit report to the Commission's September 2015 meeting.

Fraser McKinlay
Director of Performance Audit and Best Value
7 April 2015

APPENDIX 1: 2015-16 SRA-RELATED BEST VALUE AUDIT WORK AND LAN OVERSIGHT AND MONITORING ACTIVITY

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
Aberdeen City	Stephen Boyle	<p>Best Value audit currently taking place in 2015. This work arose as part of the 2014/15 SRA process.</p> <p>Community Planning Partnership (CPP) follow-up audit work to assess what further progress has been made in addressing outstanding improvement areas is planned in late Summer 2015.</p>	Report to Accounts Commission in June 2015.
Aberdeenshire	Mark Hendrikson (CI)	The LAN will be monitoring progress with a number of significant leadership and management changes in the council during 2015/16. The changes include the appointment of a new chief executive and changes to the portfolio of the four directors in the senior leadership team. A review of the current committee structure is underway with a view to implementation in Autumn 2015. Specific attention will be focussed on the impact of these changes, including the continuing effectiveness of elected member scrutiny within the context of any new committee structure. The performance of the senior leadership team as it carries out the responsibilities formerly held by the Business Transformation Board will also be monitored. The role of the chief social work officer, now working across two directorates, will also be considered.	<p>Throughout 2015/16</p> <p>This work will primarily be undertaken by Deloitte as part of the 2015/16 annual audit process with contribution and discussion with other LAN members.</p>
Angus	Stephen Boyle	Through the shared risk assessment process, the LAN concluded that Best Value follow-up work should be undertaken in 2015/16. This was highlighted as an action in the previous SRA, to assess the management restructuring and its impact on the delivery of council priorities and service performance. The outcome of the previous Best Value audit was reported in May 2010 when it was felt that the council had good quality services and a commitment to improvement but lacked the capacity to deliver its improvement plans. Although there has been progress since the management restructuring, there are still concerns about capacity to deliver and progress.	Audit work scheduled in the last quarter of the calendar year or first quarter of 2016.

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
Argyll & Bute	Fiona Mitchell-Knight	<p>Follow-up to previous BV follow-up. We will consider progress in the areas highlighted by the Accounts Commission in its findings on the July 2014 audit report, specifically:</p> <ul style="list-style-type: none"> • The extent to which political management arrangements support effective decision-making • The effectiveness of the council's scrutiny arrangements • Whether roles and relationships, including those between members and officers, facilitate the effective delivery of council business <p>We are also interested in whether local tensions relating to particular items of council business indicate any potential areas for improvement either in council procedures, the way in which elected members and council staff engage with each other and with the local community, or the quality of services provided.</p> <p>We are mindful of the current local government environment and the major challenges facing all councils over the next few years. These include significant reductions in spending alongside increasing demand for many services. As with all of our work therefore, a council's capacity to meet these challenges, to handle the difficult decisions that they present and to explore transformational change in service design and delivery, will be of interest to us.</p>	This work is already ongoing.
City of Edinburgh	Dave McConnell	Follow-up to November 2014 BV follow-up report to the Accounts Commission. The audit will focus on: the Council's financial position, progress in developing and implementing a workforce strategy, progress in developing and implementing its transformation programme.	Audit work scheduled in the last quarter of the 2015 calendar year.
Clackmannshire	Stewart Maxwell (ES)	<p>The LAN will monitor progress within a number of key areas of scrutiny risk:</p> <ul style="list-style-type: none"> • Care Inspectorate and Education Scotland - continue to monitor the pace of progressing shared education and social work services • external auditor – monitor progress in implementing and realigning council services through Making Clackmannanshire Better and continue to monitor progress in implementing the governance arrangements for the new Integration Joint Board • Care Inspectorate and other LAN members - new governance arrangements for public protection across Clackmannanshire and Stirling. 	Throughout 2015/16.

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
Dumfries & Galloway	Antony Clark	<p>The LAN will be monitoring implementation of the council's major restructure and the related process of the redesign of service management within the four new directorates. It will also monitor progress with the 3-year service review programme, given its significance and potential impact on service management and leadership, performance, and outcomes for local people.</p> <p>Best Value audit work scheduled in 2016/17 to assess the impact of the council's restructuring and provide independent assurance to the Accounts Commission on progress that is being made in delivering continuous improvement since the council's last Best Value follow-up audit in 2009.</p>	Throughout 2015/16.
Dundee City	Antony Clark	<p>Monitoring of the Council's progress with the development of a medium-term financial strategy.</p> <p>Monitoring of the progress with, and outcomes of the McClelland Review of the Victoria and Albert (V&A) museum in Dundee project</p>	<p>This work will be undertaken by KPMG as part of the 2015/16 annual audit process.</p> <p>This work will be undertaken by KPMG on behalf of the Controller of Audit as part of their audit engagement with the Council.</p>
East Ayrshire	Fiona Mitchell-Knight	<p>Monitoring of revised senior management structure and associated changes to departmental structures.</p> <p>The LAN will monitor the council's action in relation to the impact of liquidation of coal-mining companies in the area.</p>	Work will be undertaken by Audit Scotland as part of 2015/16 annual audit.
East Dunbartonshire	Dave McConnell	Best Value audit currently taking place in 2015. This work arose as part of the 2014/15 SRA process. Emerging findings from current audit suggest a further follow-up in 2016 is likely.	Report to Accounts Commission in May 2015, to be published in June.
East Lothian	Antony Clark	Audit work will continue to be focused on the council's management of finances, budgeting, monitoring, implementation of the Efficiency Programme and reporting to those charged with governance. KPMG will report specifically in the annual audit report on these matters.	This work will be undertaken by KPMG as part of the 2015/16 annual audit process.
East Renfrewshire	Brian Howarth	Audit work will continue to be focused on monitoring the Council's financial position and the challenges to service delivery in the future from increased demand and reducing resources. The Council has recently identified that it	Work will be undertaken by Audit Scotland and reported as part of 2015/16 annual audit.

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
		<p>needs to make savings of £20 million over the next 3 years in order to bridge its identified funding gap.</p> <p>The requirement to achieve significant efficiency savings is taking place against a backdrop of changes within the Council, which includes Health and Social Care Integration and the existing Community Health and Care Partnership being incorporated into the health and social care partnership which is currently operating as a Shadow Integrated Joint Board. There is also the move of leisure services to the new Leisure Trust in July 2015. The LAN will monitor the impact of the changes through its ongoing work and Audit Scotland will report on the Council's progress in managing the funding gap as part of the annual audit.</p>	
Eilean Siar	Alistair Brown (ES)	Audit work will continue to focus on the council's management of finances, budgeting, monitoring, and implementation of savings plans. Scott Moncrieff will report on these matters through the annual audit report.	Work will be undertaken by Scott Moncrieff as part of 2015/16 annual audit.
Falkirk	Fiona Mitchell-Knight	<p>Best Value audit work is currently ongoing in Falkirk that is due to be published after the election moratorium period. Further follow-up may be required once the Accounts Commission has considered the report.</p> <p>Community Planning Partnership (CPP) follow-up audit work, to assess what further progress has been made in addressing outstanding improvement areas, is planned in late Summer 2015.</p>	<p>Report to Accounts Commission in May 2015.</p> <p>Work will be undertaken by Audit Scotland as part of annual audit.</p>
Fife	Gillian Woolman	The local appointed auditor will be applying the Governance Best Value audit toolkit as part of this year's annual audit. The focus is likely to be on the effectiveness of the Finance and Audit Committee.	This work will be undertaken as part of the 2015/16 annual audit process.
Glasgow City	Gillian Woolman	<p>Audit Scotland will be carrying out audit work testing the arrangements within the Council's Social Work Services for monitoring contracts with external service providers.</p> <p>Community Planning Partnership follow-up audit work to assess progress in addressing outstanding improvement areas is planned in late Summer 2015.</p>	Work will be undertaken by Audit Scotland as part of annual audit
Highland	Stephen Boyle	Audit work will continue to focus on the council's management of finances, budgeting, monitoring, and implementation of savings plans. Audit Scotland will report on these matters through the annual audit.	Work will be undertaken by Audit Scotland as part of annual audit.

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
Inverclyde	Ronnie Nicol	Grant Thornton will continue to monitor and report on the council's progress in meeting its £15.7m savings target over the period 2015-17 and its success in achieving its ambitious improvement and regeneration plans for the area. Grant Thornton will report on these matters through the annual audit.	Work will be undertaken by Grant Thornton as part of 2015/16 annual audit
Midlothian	Clare Lamont (ES)	Grant Thornton (GT) will continue to monitor and report on the council's progress in meeting its £17.3m budget gap in the period to 217-18. GT will also monitor implementation of the Midlothian Excellence Framework (MEF) model of performance reporting and the effectiveness of the Council's Performance Review and Scrutiny Committee.	Work will be undertaken by Grant Thornton and reported as part of 2015/16 annual audit
Moray	Richard Fowles (CI)	Progress report on Best Value since September 2013 audit report. (re-scheduled from 2014-15), with a focus on leadership and culture, strategic planning arrangements, customer focus, equalities and performance management and reporting. There will also be ongoing monitoring of finances, budgeting, monitoring, and implementation of savings plans through annual audit work. Community Planning Partnership (CPP) follow-up audit work to assess what progress has been made in implementing the improvement agenda arising from the CPP audit is planned in late Summer 2015.	Report to Accounts Commission scheduled in September 2015. Work will be undertaken by the appointed auditor and reported as part of the annual audit.
North Ayrshire	Fiona Mitchell-Knight	Audit work will continue to focus on the council's management of finances, budgeting, monitoring, and implementation of savings plans. Audit Scotland will report on these matters through the annual audit. Community Planning Partnership (CPP) follow-up audit work to assess what further progress has been made in addressing outstanding improvement areas is planned in late Summer 2015.	Work will be undertaken by Audit Scotland as part of 2015/16 annual audit
North Lanarkshire	Moira Cummings (ES)	The LAN has identified the need for on-going monitoring and oversight for leadership and governance. This is based on: the Audit and Governance Panel being chaired by a member of the Administration contrary to good practice; during the year there have been changes in the CMT; and an independent review of the council's risk arrangements assessed it as being at "entry level" with significant scope for improvement.	This will be monitored throughout 2015/16 with any issues arising reported through the annual audit process.

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
Orkney Islands	Stephen Boyle	<p>The LAN will monitor progress within a number of key areas of scrutiny risk:</p> <ul style="list-style-type: none"> Implementation of the council's Change Programme to deliver financial savings over the next three years Local progress with health and social care integration <p>Community Planning Partnership (CPP) follow-up audit work to assess what progress has been made in implementing the improvement agenda arising from the CPP audit is planned in late Summer 2015.</p>	<p>Throughout 2015/16</p> <p>CPP audit work will be undertaken by Audit Scotland as part of 2015/16 annual audit.</p>
Perth & Kinross	Stephen Boyle	<p>Perth and Kinross is the pilot site for a developmental piece of collaborative place-based scrutiny in the Blairgowrie area. The focus of this piece of work, which is being led by Education Scotland with the participation of Audit Scotland, Care Inspectorate, HMFSI, HMIC and SHR, is on the quality and effectiveness of locality-based community planning.</p>	<p>Pilot work is currently taking place with evaluation and reporting planned in Spring 2015.</p>
Renfrewshire	Brian Howarth	<p>The LAN will monitor progress within a number of key areas of scrutiny risk:</p> <ul style="list-style-type: none"> external auditor – progress in implementing and realigning council services through the Better Council Change Programme external auditor – progress in making medium-term savings of £20-30m against emerging pay and service demand pressures external auditor – expansion of role and remit of Renfrewshire Leisure Limited (RLL) external auditor and Care Inspectorate - progress in implementing the governance arrangements for the new Integration Joint Board 	<p>Work will be undertaken by Audit Scotland and, where appropriate, reported as part of the 2015/16 annual audit process.</p>
Scottish Borders	Antony Clark	<p>Monitoring of impact of transfer of Care at Home adult social work services to an Arms-Length External Organisation (ALEO).</p> <p>Targeted Best Value audit work to assess the impact of the council's restructuring and provide independent assurance to the Accounts Commission on progress that is being made in delivering continuous improvement since the council's last Best Value follow-up audit in 2009 is scheduled for 2016/17.</p> <p>Community Planning Partnership (CPP) follow-up audit work to assess what further progress has been made in addressing outstanding improvement areas</p>	<p>By LAN during 2015/16</p> <p>During 2016/17 (timing to be confirmed as part of 2015/16 SRA process)</p> <p>Work will be undertaken by the appointed auditor and reported as</p>

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
		is planned in late Summer 2015.	part of the annual audit.
Shetland Islands	Dave McConnell	<p>The LAN identifies a number of issues as requiring “ongoing oversight and monitoring required”. Auditors will monitor these as part of the annual audit process:</p> <ul style="list-style-type: none"> • adequacy of risk management arrangements (this follows findings by consultants (Scott Moncrieff) in December 2014 that there was “widespread non-compliance” with the council’s existing risk management arrangements) • effect of the departure of the council’s S.95 officer in December 2014 on its ability to manage its resources • delivery of asset investment plan, including potential first use of external borrowing to finance new Anderson High School. <p>In general, audit work will also continue to focus on the council’s management of finances, budgeting, monitoring, and delivery of savings plans inherent in the Medium Term Financial Plan.</p>	Work will be undertaken by Audit Scotland and reported as part of 2015/16 annual audit process.
South Ayrshire	Fiona Mitchell-Knight	Targeted follow-up as requested by the Accounts Commission on the findings of the Dec 14 follow-up BV report. Focussing on leadership and governance and performance management and improvement.	Work will be undertaken by external auditors (Audit Scotland) and PABV throughout the year. To provide an update in annual report and then to the Accounts Commission in early 2016.
South Lanarkshire	Ronnie Nicol	<p>The LAN has identified on-going monitoring and oversight of the council’s housing and homelessness service and of its response to a recent joint inspection of services for children and young people in the South Lanarkshire Community Planning Partnership area.</p> <p>The LAN has identified a number of weaknesses in its housing and homelessness service, mainly: relatively low levels of satisfaction amongst tenants at being kept informed and their opportunities to participate in the decision making processes; the proportion of houses meeting the Scottish Housing Quality Standard (SHQS); poor response times in dealing with housing repairs; the amount of rent it collects; and the percentage of lets made</p>	Work will be undertaken by the LAN and, where appropriate, reported as part of the 2015/16 annual audit process.

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
		<p>by registered social landlords (RSLs) to homeless households.</p> <p>The Care Inspectorate has yet to publish its report from the inspection of services for children and young people; however, it is likely that there will be areas for improvement identified in the report.</p>	
Stirling	Angela Canning	<p>The LAN will monitor progress within a number of key areas of scrutiny risk:</p> <ul style="list-style-type: none"> external auditor - continue to monitor the impact of this organisational change during 2015/16 Care Inspectorate and Education Scotland - continue to monitor the pace of progressing shared education and social work services external auditor - continue to monitor progress in implementing the governance arrangements for the new Integration Joint Board Scottish Housing Regulator - continue to monitor progress in reducing rent arrears, in delivering the Scottish Housing Quality Standard (SHQS) and in its homelessness and housing options activities 	Throughout 2015/16
West Dun.	Dave McConnell	<p>The LAN will monitor progress within a number of key areas of scrutiny risk:</p> <ul style="list-style-type: none"> external auditor – progress in implementing and realigning council services through the “Delivering for the Future” Programme external auditor – staff absence management Scottish Housing Regulator – pace of improvement in relation to progress towards Scottish Housing Quality Standards (SHQS), development of Housing Revenue Account (HRA) Capital Plan, rent collection rates, tenancy sustainment. 	Throughout 2015/16
West Lothian	Dave McConnell	<p>The LAN will monitor progress within a number of key areas of scrutiny risk:</p> <ul style="list-style-type: none"> Education Scotland - implementation of ‘Curriculum for Excellence’ Care Inspectorate – monitoring of health and well being indicators for mothers and children because they are below the Scottish average e.g. breastfeeding levels and childhood obesity 	Throughout 2015/16

Councils	LAN Lead	Proposed Best Value-related audit work, CPP follow-up audit work or LAN monitoring activity	Proposed timing
		<ul style="list-style-type: none"> • Care Inspectorate – monitoring of older people services performance because some performance measures for homecare and care homes are below the national average, while multiple emergency admissions for those over 65 are well above Scottish average • Scottish Housing Regulator – monitoring of housing and homelessness performance indicators as they are below the Scottish average e.g. customer satisfaction with the quality of temp accommodation, rent arrears and responding to complaints • Audit Scotland – monitoring of implementation of health and social care integration <p>Community Planning Partnership (CPP) follow-up audit work to assess what progress has been made in implementing the improvement agenda arising from the CPP audit is planned in late Summer 2015.</p>	<p>Work will be undertaken by Audit Scotland and reported as part of 2015/16 annual audit process.</p>